

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

FUTURES EDUCATION, LLC, a Massachusetts
limited liability company,

Plaintiff,

Case No.: 19-4572

v.

URBAN PREP ACADEMIES, an Illinois not-for-
profit corporation,

Defendant.

COMPLAINT

Plaintiff, FUTURES EDUCATION, LLC, a Massachusetts limited liability company (“Futures”), by and through its attorneys, Gutnicki LLP, for its Complaint (this “Complaint”) against Defendant, URBAN PREP ACADEMIES, an Illinois not-for-profit corporation (“Urban Prep”), alleges as follows:

PARTIES, JURISDICTION, AND VENUE

1. Futures is a Massachusetts limited liability company and its principal place of business is 136 William Street, Springfield, MA 01105. Futures’ members are citizens of Massachusetts. Therefore, Futures is a citizen of Massachusetts for purposes of diversity jurisdiction. Futures provides consulting, special education, and other student support services.

2. Urban Prep is a not-for-profit corporation incorporated under the laws of the State of Illinois, and its principal place of business is located at 420 N. Wabash Ave, Suite

300, Chicago, IL 60611. Urban Prep is a citizen of Illinois. Urban Prep operates a network of all-boys schools in the Chicago that provide a college preparatory education.

3. This Court has diversity jurisdiction over this civil action pursuant to 28 U.S.C. § 1332(a)(1) because the matter in controversy exceeds \$75,000.00, exclusive of interest and costs, and the parties have diverse citizenship.

4. This Court has personal jurisdiction over Urban Prep, and venue is proper in this Court, because Urban Prep transacts business in the State of Illinois, including entering into the contract that serves as the basis for this Complaint.

FACTUAL BACKGROUND

5. On July 1, 2018, Futures and Urban Prep entered into a service agreement contract (the “Agreement”), pursuant to which Futures agreed to provide certain education related rehabilitation services (the “Rehabilitative Services”) for three schools located in the Chicago area that are operated by Urban Prep. A true and correct copy of the Agreement is attached hereto as Exhibit A.

6. Pursuant to Section 1 of the Agreement, Futures agreed to provide the Rehabilitative Services. (Ex. A, Agreement, pp. 1-2.)

7. Pursuant to Section 3 of the Agreement, Futures agreed to submit a monthly invoice to Urban Prep, on the 15th day of each month, indicating the Rehabilitative Services Futures had provided during the prior month, and the corresponding fees for such services as set out in a fee schedule stated in the Agreement (the “Fee Schedule”). (*Id.* at p. 2, and Ex. A thereto.)

8. Section 3 further provides that, in exchange for Futures’ services under the Agreement, Urban Prep agreed fully and timely to pay the contractual compensation due to

Futures by the 15th day of the month following Futures' issuance of such invoice. (Ex. A, Agreement, p.2.)

9. Furthermore, also pursuant to Section 3, Futures and Urban Prep stipulated that, should any charges become more than forty-five (45) days past due, Futures would be entitled to assess finance charges of 1.5% per month (18% per annum) against Urban Prep (the "Late Charges"), in addition to all expenses, court costs, and reasonable attorney's fees incident to the collection of any outstanding charges under the Agreement (the "Collection Costs"). (*Id.*)

10. Pursuant to the Agreement, Futures fully performed its obligations by providing the Rehabilitative Services to all three of Urban Prep's schools specified under the Agreement, and by timely sending corresponding invoices to Urban Prep for the same.

11. However, despite Futures' full performance, Urban Prep breached the Agreement by failing to pay a single invoice Futures issued to it, from July of 2018 through April of 2019.

12. Indeed, during this timeframe, despite Futures' even continuing to provide the Rehabilitative Services to Urban Prep's schools, Urban Prep did not pay Futures one penny, in breach of Urban Prep's contractual obligations to pay Futures, fully and timely, the sums owed on each invoice for the Rehabilitative Services Futures had provided.

13. By the end of April of 2019, the unpaid invoices totaled **\$134,737.16** (the "Outstanding Balance").

14. On June 6, 2019, counsel for Futures sent Urban Prep a demand letter (the "Demand Letter"), wherein Futures demanded that Urban Prep fully pay the Outstanding Balance by June 20, 2019. Futures further reserved its right to assess against Urban Prep the

Late Charges and the Collection Costs, as well as any and all other rights. A true and correct copy of the Demand Letter is attached hereto as Exhibit B.

15. As of the filing of this Complaint, Futures has not received a response to the Demand Letter.

16. As of the filing of this Complaint, Urban Prep is still in breach of contract under the Agreement for failure to pay the Outstanding Balance.

17. Urban Prep's breaches have caused damage to Futures, as there is due and owing, but unpaid, from Urban Prep, pursuant to the terms of the Agreement, \$134,737.16, exclusive of statutory interest, Late Charges, and Collection Costs.

18. Interest continues to accrue at the Late Charges' default rate of 18% per annum. Attorneys' fees, collection and enforcement costs and expenses, have also accrued and will continue to accrue pursuant to the terms of the Agreement.

19. Futures now seeks relief in this Court, pursuant to the following Counts:

COUNT I
BREACH OF CONTRACT AGAINST URBAN PREP

20. Futures realleges and incorporates by reference herein the allegations of paragraphs 1 through 20 by reference as if fully rewritten herein.

21. For good and sufficient consideration, Urban Prep entered into the Agreement with Futures.

22. Futures provided the Rehabilitative Services required under the Agreement.

23. In exchange for Futures' provision of the Rehabilitative Services under the Agreement, pursuant to Section 3 therein, Urban Prep expressly agreed to compensate Futures.

24. Specifically, Urban Prep agreed fully and timely to pay the contractual compensation due to Futures by the 15th day of the month following receipt of each of Futures' invoices.

25. Futures timely sent corresponding invoices for the Rehabilitative Services to Urban Prep.

26. However, Urban Prep has not paid these invoices.

27. The amount outstanding from these unpaid invoices owed to Futures by Urban Prep under the Agreement totals the Outstanding Balance, \$134,737.16.

28. Urban Prep still has not paid the invoices despite demand.

29. As such, Urban Prep is still in breach of contract under the Agreement.

30. Urban Prep's breaches have caused damage to Futures, as there is due and owing, but unpaid, from Urban Prep, pursuant to the terms of the Agreement, \$134,737.16, exclusive of statutory interest, Late Charges, and Collection Costs.

31. Interest continues to accrue at the Late Charges' default rate of 18% per annum. Attorneys' fees, collection and enforcement costs and expenses, have also accrued and will continue to accrue pursuant to the terms of the Agreement.

WHEREFORE, Futures requests an entry of judgment in its favor against Urban Prep on Count I, awarding the following relief:

a) an award of compensatory damages against Urban Prep in an amount in excess of **\$134,737.16**, in addition to all applicable interest, the Late Charges, and the Collection Costs; and

b) any such other and further relief as the Court may deem just and equitable.

COUNT II
UNJUST ENRICHMENT

32. Futures realleges and incorporates by reference herein the allegations of paragraphs 1 through 31 as if fully rewritten herein.

33. Should for any reason it be determined that the Agreement is not an enforceable contract, in the alternative, Futures argues the following:

34. Pursuant to the Agreement, Futures conferred a benefit onto Urban Prep in the form of providing the Rehabilitative Services for all three of Urban Prep's schools in Chicago, as specified in the Agreement.

35. Due to Urban Prep's refusal to pay the amounts due for the Rehabilitative Services, Futures has not received the proper compensation and as a result must suffer still further continued costs.

36. As such, Urban Prep has retained a benefit to Futures' detriment, and such retention violates the fundamental principles of justice, equity, and good conscience.

WHEREFORE, Futures requests an entry of judgment in its favor against Urban Prep on Count II, awarding the following relief:

a) enter judgment in favor of Futures and against Urban Prep awarding Futures damages in an amount in excess of **\$134,737.16**, plus applicable interest and its reasonable attorney fees; and

b) any such other and further relief as the Court may deem just and equitable.

COUNT III
QUANTUM MERUIT

37. Futures realleges and incorporates by reference herein the allegations of paragraphs 1 through 36 as if fully rewritten herein.

38. Should for any reason it be determined that the Agreement is not an enforceable contract, in the alternative, Futures argues the following:

39. Futures provided the Rehabilitative Services to all three of Urban Prep's schools in Chicago, as specified in the Agreement.

40. Futures did not intend to provide the Rehabilitative Services gratuitously.

41. Urban Prep accepted the Rehabilitative Services at its schools, and never attempted to cancel or otherwise deny them.

42. Urban Prep has not compensated Futures for the Rehabilitative Services.

WHEREFORE, Futures requests an entry of judgment in its favor against Urban Prep on Count III, awarding the following relief:

a) enter judgment in favor of Futures and against Urban Prep awarding Futures damages in an amount in excess of **\$134,737.16**, plus applicable interest and its reasonable attorney fees; and

b) any such other and further relief as the Court may deem just and equitable.

Dated: July 8, 2019

Respectfully submitted,

FUTURES EDUCATION, LLC
a Massachusetts limited liability company

/s/ Aharon S. Kaye

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